

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Banking Act is amended by changing Sections 2, 5c, 13, and 15 as follows:

(205 ILCS 5/2) (from Ch. 17, par. 302)

Sec. 2. General definitions. In this Act, unless the context otherwise requires, the following words and phrases shall have the following meanings:

"Accommodation party" shall have the meaning ascribed to that term in Section 3-419 of the Uniform Commercial Code.

"Action" in the sense of a judicial proceeding includes recoupments, counterclaims, set-off, and any other proceeding in which rights are determined.

"Affiliate facility" of a bank means a main banking premises or branch of another commonly owned bank. The main banking premises or any branch of a bank may be an "affiliate facility" with respect to one or more other commonly owned banks.

"Appropriate federal banking agency" means the Federal Deposit Insurance Corporation, the Federal Reserve Bank of Chicago, or the Federal Reserve Bank of St. Louis, as determined by federal law.

"Bank" means any person doing a banking business whether subject to the laws of this or any other jurisdiction.

A "banking house", "branch", "branch bank" or "branch office" shall mean any place of business of a bank at which deposits are received, checks paid, or loans made, but shall not include any place at which only records thereof are made, posted, or kept. A place of business at which deposits are received, checks paid, or loans made shall not be deemed to be a branch, branch bank, or branch office if the place of business is adjacent to and connected with the main banking premises, or if it is separated from the main banking premises by not more than an alley; provided always that (i) if the place of business is separated by an alley from the main banking premises there is a connection between the two by public or private way or by subterranean or overhead passage, and (ii) if the place of business is in a building not wholly occupied by the bank, the place of business shall not be within any office or room in which any other business or service of any kind or nature other than the business of the bank is conducted or carried on. A place of business at which deposits are received, checks paid, or loans made shall not be deemed to be a branch, branch bank, or branch office (i) of any bank if the place is a terminal established and maintained in accordance with paragraph (17) of Section 5 of this Act, or (ii) of a commonly owned bank by virtue of transactions conducted at that place on behalf of the other commonly owned

bank under paragraph (23) of Section 5 of this Act if the place is an affiliate facility with respect to the other bank.

"Branch of an out-of-state bank" means a branch established or maintained in Illinois by an out-of-state bank as a result of a merger between an Illinois bank and the out-of-state bank that occurs on or after May 31, 1997, or any branch established by the out-of-state bank following the merger.

"Bylaws" means the bylaws of a bank that are adopted by the bank's board of directors or shareholders for the regulation and management of the bank's affairs. If the bank operates as a limited liability company, however, "bylaws" means the operating agreement of the bank.

"Call report fee" means the fee to be paid to the Commissioner by each State bank pursuant to paragraph (a) of subsection (3) of Section 48 of this Act.

"Capital" includes the aggregate of outstanding capital stock and preferred stock.

"Cash flow reserve account" means the account within the books and records of the Commissioner of Banks and Real Estate used to record funds designated to maintain a reasonable Bank and Trust Company Fund operating balance to meet agency obligations on a timely basis.

"Charter" includes the original charter and all amendments thereto and articles of merger or consolidation.

"Commissioner" means the Commissioner of Banks and Real Estate or a person authorized by the Commissioner, the Office

of Banks and Real Estate Act, or this Act to act in the Commissioner's stead.

"Commonly owned banks" means 2 or more banks that each qualify as a bank subsidiary of the same bank holding company pursuant to Section 18 of the Federal Deposit Insurance Act; "commonly owned bank" refers to one of a group of commonly owned banks but only with respect to one or more of the other banks in the same group.

"Community" means a city, village, or incorporated town and also includes the area served by the banking offices of a bank, but need not be limited or expanded to conform to the geographic boundaries of units of local government.

"Company" means a corporation, limited liability company, partnership, business trust, association, or similar organization and, unless specifically excluded, includes a "State bank" and a "bank".

"Consolidating bank" means a party to a consolidation.

"Consolidation" takes place when 2 or more banks, or a trust company and a bank, are extinguished and by the same process a new bank is created, taking over the assets and assuming the liabilities of the banks or trust company passing out of existence.

"Continuing bank" means a merging bank, the charter of which becomes the charter of the resulting bank.

"Converting bank" means a State bank converting to become a national bank, or a national bank converting to become a State

bank.

"Converting trust company" means a trust company converting to become a State bank.

"Court" means a court of competent jurisdiction.

"Director" means a member of the board of directors of a bank. In the case of a manager-managed limited liability company, however, "director" means a manager of the bank and, in the case of a member-managed limited liability company, "director" means a member of the bank. The term "director" does not include an advisory director, honorary director, director emeritus, or similar person, unless the person is otherwise performing functions similar to those of a member of the board of directors.

"Eligible depository institution" means an insured savings association that is in default, an insured savings association that is in danger of default, a State or national bank that is in default or a State or national bank that is in danger of default, as those terms are defined in this Section, or a new bank as that term defined in Section 11(m) of the Federal Deposit Insurance Act or a bridge bank as that term is defined in Section 11(n) of the Federal Deposit Insurance Act or a new federal savings association authorized under Section 11(d) (2) (f) of the Federal Deposit Insurance Act.

"Fiduciary" means trustee, agent, executor, administrator, committee, guardian for a minor or for a person under legal disability, receiver, trustee in bankruptcy, assignee for

creditors, or any holder of similar position of trust.

"Financial institution" means a bank, savings bank, savings and loan association, credit union, or any licensee under the Consumer Installment Loan Act or the Sales Finance Agency Act and, for purposes of Section 48.3, any proprietary network, funds transfer corporation, or other entity providing electronic funds transfer services, or any corporate fiduciary, its subsidiaries, affiliates, parent company, or contractual service provider that is examined by the Commissioner. For purposes of Section 5c and subsection (b) of Section 13 of this Act, "financial institution" includes any proprietary network, funds transfer corporation, or other entity providing electronic funds transfer services, and any corporate fiduciary.

"Foundation" means the Illinois Bank Examiners' Education Foundation.

"General obligation" means a bond, note, debenture, security, or other instrument evidencing an obligation of the government entity that is the issuer that is supported by the full available resources of the issuer, the principal and interest of which is payable in whole or in part by taxation.

"Guarantee" means an undertaking or promise to answer for payment of another's debt or performance of another's duty, liability, or obligation whether "payment guaranteed" or "collection guaranteed".

"In danger of default" means a State or national bank, a

federally chartered insured savings association or an Illinois state chartered insured savings association with respect to which the Commissioner or the appropriate federal banking agency has advised the Federal Deposit Insurance Corporation that:

(1) in the opinion of the Commissioner or the appropriate federal banking agency,

(A) the State or national bank or insured savings association is not likely to be able to meet the demands of the State or national bank's or savings association's obligations in the normal course of business; and

(B) there is no reasonable prospect that the State or national bank or insured savings association will be able to meet those demands or pay those obligations without federal assistance; or

(2) in the opinion of the Commissioner or the appropriate federal banking agency,

(A) the State or national bank or insured savings association has incurred or is likely to incur losses that will deplete all or substantially all of its capital; and

(B) there is no reasonable prospect that the capital of the State or national bank or insured savings association will be replenished without federal assistance.

"In default" means, with respect to a State or national bank or an insured savings association, any adjudication or other official determination by any court of competent jurisdiction, the Commissioner, the appropriate federal banking agency, or other public authority pursuant to which a conservator, receiver, or other legal custodian is appointed for a State or national bank or an insured savings association.

"Insured savings association" means any federal savings association chartered under Section 5 of the federal Home Owners' Loan Act and any State savings association chartered under the Illinois Savings and Loan Act of 1985 or a predecessor Illinois statute, the deposits of which are insured by the Federal Deposit Insurance Corporation. The term also includes a savings bank organized or operating under the Savings Bank Act.

"Insured savings association in recovery" means an insured savings association that is not an eligible depository institution and that does not meet the minimum capital requirements applicable with respect to the insured savings association.

"Issuer" means for purposes of Section 33 every person who shall have issued or proposed to issue any security; except that (1) with respect to certificates of deposit, voting trust certificates, collateral-trust certificates, and certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar

functions), "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust, agreement, or instrument under which the securities are issued; (2) with respect to trusts other than those specified in clause (1) above, where the trustee is a corporation authorized to accept and execute trusts, "issuer" means the entrusters, depositors, or creators of the trust and any manager or committee charged with the general direction of the affairs of the trust pursuant to the provisions of the agreement or instrument creating the trust; and (3) with respect to equipment trust certificates or like securities, "issuer" means the person to whom the equipment or property is or is to be leased or conditionally sold.

"Letter of credit" and "customer" shall have the meanings ascribed to those terms in Section 5-102 of the Uniform Commercial Code.

"Main banking premises" means the location that is designated in a bank's charter as its main office.

"Maker or obligor" means for purposes of Section 33 the issuer of a security, the promisor in a debenture or other debt security, or the mortgagor or grantor of a trust deed or similar conveyance of a security interest in real or personal property.

"Merged bank" means a merging bank that is not the continuing, resulting, or surviving bank in a consolidation or merger.

"Merger" includes consolidation.

"Merging bank" means a party to a bank merger.

"Merging trust company" means a trust company party to a merger with a State bank.

"Mid-tier bank holding company" means a corporation that (a) owns 100% of the issued and outstanding shares of each class of stock of a State bank, (b) has no other subsidiaries, and (c) 100% of the issued and outstanding shares of the corporation are owned by a parent bank holding company.

"Municipality" means any municipality, political subdivision, school district, taxing district, or agency.

"National bank" means a national banking association located in this State and after May 31, 1997, means a national banking association without regard to its location.

"Out-of-state bank" means a bank chartered under the laws of a state other than Illinois, a territory of the United States, or the District of Columbia.

"Parent bank holding company" means a corporation that is a bank holding company as that term is defined in the Illinois Bank Holding Company Act of 1957 and owns 100% of the issued and outstanding shares of a mid-tier bank holding company.

"Person" means an individual, corporation, limited liability company, partnership, joint venture, trust, estate, or unincorporated association.

"Public agency" means the State of Illinois, the various counties, townships, cities, towns, villages, school

districts, educational service regions, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, the Illinois Bank Examiners' Education Foundation, the Chicago Park District, and all other political corporations or subdivisions of the State of Illinois, whether now or hereafter created, whether herein specifically mentioned or not, and shall also include any other state or any political corporation or subdivision of another state.

"Public funds" or "public money" means current operating funds, special funds, interest and sinking funds, and funds of any kind or character belonging to, in the custody of, or subject to the control or regulation of the United States or a public agency. "Public funds" or "public money" shall include funds held by any of the officers, agents, or employees of the United States or of a public agency in the course of their official duties and, with respect to public money of the United States, shall include Postal Savings funds.

"Published" means, unless the context requires otherwise, the publishing of the notice or instrument referred to in some newspaper of general circulation in the community in which the bank is located at least once each week for 3 successive weeks. Publishing shall be accomplished by, and at the expense of, the bank required to publish. Where publishing is required, the bank shall submit to the Commissioner that evidence of the

publication as the Commissioner shall deem appropriate.

"Qualified financial contract" means any security contract, commodity contract, forward contract, including spot and forward foreign exchange contracts, repurchase agreement, swap agreement, and any similar agreement, any option to enter into any such agreement, including any combination of the foregoing, and any master agreement for such agreements. A master agreement, together with all supplements thereto, shall be treated as one qualified financial contract. The contract, option, agreement, or combination of contracts, options, or agreements shall be reflected upon the books, accounts, or records of the bank, or a party to the contract shall provide documentary evidence of such agreement.

"Recorded" means the filing or recording of the notice or instrument referred to in the office of the Recorder of the county wherein the bank is located.

"Resulting bank" means the bank resulting from a merger or conversion.

"Securities" means stocks, bonds, debentures, notes, or other similar obligations.

"Stand-by letter of credit" means a letter of credit under which drafts are payable upon the condition the customer has defaulted in performance of a duty, liability, or obligation.

"State bank" means any banking corporation that has a banking charter issued by the Commissioner under this Act.

"State Banking Board" means the State Banking Board of

Illinois.

"Subsidiary" with respect to a specified company means a company that is controlled by the specified company. For purposes of paragraphs (8) and (12) of Section 5 of this Act, "control" means the exercise of operational or managerial control of a corporation by the bank, either alone or together with other affiliates of the bank.

"Surplus" means the aggregate of (i) amounts paid in excess of the par value of capital stock and preferred stock; (ii) amounts contributed other than for capital stock and preferred stock and allocated to the surplus account; and (iii) amounts transferred from undivided profits.

"Tier 1 Capital" and "Tier 2 Capital" have the meanings assigned to those terms in regulations promulgated for the appropriate federal banking agency of a state bank, as those regulations are now or hereafter amended.

"Trust company" means a limited liability company or corporation incorporated in this State for the purpose of accepting and executing trusts.

"Undivided profits" means undistributed earnings less discretionary transfers to surplus.

"Unimpaired capital and unimpaired surplus", for the purposes of paragraph (21) of Section 5 and Sections 32, 33, 34, 35.1, 35.2, and 47 of this Act means the sum of the state bank's Tier 1 Capital and Tier 2 Capital plus such other shareholder equity as may be included by regulation of the

Commissioner. Unimpaired capital and unimpaired surplus shall be calculated on the basis of the date of the last quarterly call report filed with the Commissioner preceding the date of the transaction for which the calculation is made, provided that: (i) when a material event occurs after the date of the last quarterly call report filed with the Commissioner that reduces or increases the bank's unimpaired capital and unimpaired surplus by 10% or more, then the unimpaired capital and unimpaired surplus shall be calculated from the date of the material event for a transaction conducted after the date of the material event; and (ii) if the Commissioner determines for safety and soundness reasons that a state bank should calculate unimpaired capital and unimpaired surplus more frequently than provided by this paragraph, the Commissioner may by written notice direct the bank to calculate unimpaired capital and unimpaired surplus at a more frequent interval. In the case of a state bank newly chartered under Section 13 or a state bank resulting from a merger, consolidation, or conversion under Sections 21 through 26 for which no preceding quarterly call report has been filed with the Commissioner, unimpaired capital and unimpaired surplus shall be calculated for the first calendar quarter on the basis of the effective date of the charter, merger, consolidation, or conversion.

(Source: P.A. 92-483, eff. 8-23-01; 93-561, eff. 1-1-04.)

Sec. 5c. Ownership of a bankers' bank. ~~A With the approval of the Commissioner,~~ a bank may acquire shares of stock of a bank or holding company which owns or controls such bank if the stock of such bank or company is owned exclusively (except to the extent directors' qualifying shares are required by law) by depository institutions or depository institution holding companies and such bank or company and all subsidiaries thereof are engaged exclusively in providing services to or for other financial ~~depository~~ institutions, their holding companies, and the officers, directors, and employees of such institutions and companies, and in providing ~~correspondent banking~~ services at the request of other financial ~~depository~~ institutions or their holding companies (also referred to as a "bankers' bank"). The bank may also provide products and services to its officers, directors, and employees. In no event shall the total amount of such stock held by a bank in such bank or holding company exceed 10 percent of its capital and surplus (including undivided profits) and in no event shall a bank acquire more than 5 percent of any class of voting securities of such bank or company.

(Source: P.A. 89-603, eff. 8-2-96.)

(205 ILCS 5/13) (from Ch. 17, par. 320)

Sec. 13. Issuance of charter.

(a) When the directors have organized as provided in Section 12 of this Act, and the capital stock and the preferred

stock, if any, together with a surplus of not less than 50% of the capital, has been all fully paid in and a record of the same filed with the Commissioner, the Commissioner or some competent person of the Commissioner's appointment shall make a thorough examination into the affairs of the proposed bank, and if satisfied (i) that all the requirements of this Act have been complied with, (ii) that no intervening circumstance has occurred to change the Commissioner's findings made pursuant to Section 10 of this Act, and (iii) that the prior involvement by any stockholder who will own a sufficient amount of stock to have control, as defined in Section 18 of this Act, of the proposed bank with any other financial institution, whether as stockholder, director, officer, or customer, was conducted in a safe and sound manner, upon payment into the Commissioner's office of the reasonable expenses of the examination, as determined by the Commissioner, the Commissioner shall issue a charter authorizing the bank to commence business as authorized in this Act. All charters issued by the Commissioner or any predecessor agency which chartered State banks, including any charter outstanding as of September 1, 1989, shall be perpetual. For the 2 years after the Commissioner has issued a charter to a bank, the bank shall request and obtain from the Commissioner prior written approval before it may change senior management personnel or directors.

The original charter, duly certified by the Commissioner, or a certified copy shall be evidence in all courts and places

of the existence and authority of the bank to do business. Upon the issuance of the charter by the Commissioner, the bank shall be deemed fully organized and may proceed to do business. The Commissioner may, in the Commissioner's discretion, withhold the issuing of the charter when the Commissioner has reason to believe that the bank is organized for any purpose other than that contemplated by this Act. The Commissioner shall revoke the charter and order liquidation in the event that the bank does not commence a general banking business within one year from the date of the issuance of the charter, unless a request has been submitted, in writing, to the Commissioner for an extension and the request has been approved. After commencing a general banking business, a bank may change its name by filing written notice with the Commissioner at least 30 days prior to the effective date of such change. A bank chartered under this Act may change its main banking premises by filing written application with the Commissioner, on forms prescribed by the Commissioner, provided (i) the change shall not be a removal to a new location without complying with the capital requirements of Section 7 and of subsection (1) of Section 10 of this Act; (ii) the Commissioner approves the relocation or change; and (iii) the bank complies with any applicable federal law or regulation. The application shall be deemed to be approved if the Commissioner has not acted on the application within 30 days after receipt of the application, unless within the 30-day time frame the Commissioner informs the bank that an extension

of time is necessary prior to the Commissioner's action on the application.

(b) (1) The Commissioner may also issue a charter to a bank that is owned exclusively by other depository institutions or depository institution holding companies and is organized to engage exclusively in providing services to or for other financial ~~depository~~ institutions, their holding companies, and the officers, directors, and employees of such institutions and companies, and in providing ~~correspondent banking~~ services at the request of other financial ~~depository~~ institutions or their holding companies (also referred to as a "bankers' bank"). The bank may also provide products and services to its officers, directors, and employees.

(2) A bank chartered pursuant to paragraph (1) shall, except as otherwise specifically determined or limited by the Commissioner in an order or pursuant to a rule, be vested with the same rights and privileges and subject to the same duties, restrictions, penalties, and liabilities now or hereafter imposed under this Act.

(c) A bank chartered under this Act after November 1, 1985, and an out-of-state bank that merges with a State bank and establishes or maintains a branch in this State after May 31, 1997, shall obtain from and, at all times while it accepts or retains deposits, maintain with the Federal Deposit Insurance Corporation, or such other instrumentality of or corporation

chartered by the United States, deposit insurance as authorized under federal law.

(d) (i) A bank that has a banking charter issued by the Commissioner under this Act may, pursuant to a written purchase and assumption agreement, transfer substantially all of its assets to another State bank or national bank in consideration, in whole or in part, for the transferee banks' assumption of any part or all of its liabilities. Such a transfer shall in no way be deemed to impair the charter of the transferor bank or cause the transferor bank to forfeit any of its rights, powers, interests, franchises, or privileges as a State bank, nor shall any voluntary reduction in the transferor bank's activities resulting from the transfer have any such effect; provided, however, that a State bank that transfers substantially all of its assets pursuant to this subsection (d) and following the transfer does not accept deposits and make loans, shall not have any rights, powers, interests, franchises, or privileges under subsection (15) of Section 5 of this Act until the bank has resumed accepting deposits and making loans.

(ii) The fact that a State bank does not resume accepting deposits and making loans for a period of 24 months commencing on September 11, 1989 or on a date of the transfer of substantially all of a State bank's assets, whichever is later, or such longer period as the

Commissioner may allow in writing, may be the basis for a finding by the Commissioner under Section 51 of this Act that the bank is unable to continue operations.

(iii) The authority provided by subdivision (i) of this subsection (d) shall terminate on May 31, 1997, and no bank that has transferred substantially all of its assets pursuant to this subsection (d) shall continue in existence after May 31, 1997.

(Source: P.A. 91-322, eff. 1-1-00; 92-483, eff. 8-23-01.)

(205 ILCS 5/15) (from Ch. 17, par. 322)

Sec. 15. Stock and stockholders. Unless otherwise provided for in this Act, provisions of general application to capital stock, preferred stock, and stockholders of a State bank shall be as follows:

(1) There shall be an annual meeting of the stockholders for the election of directors each year on the first business day in January, unless some other date shall be fixed by the by-laws. A special meeting of the stockholders may be called at any time by the board of directors, and otherwise as may be provided in the bylaws.

(2) Written or printed notice stating the place, day, and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 40 days before the date of the meeting either personally or by mail, by or at the

direction of the president, or the secretary, or the officer or persons calling the meeting, to each stockholder of record entitled to vote at the meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid addressed to the stockholder at his address as it appears on the records of the bank.

(3) Except as provided below in this paragraph (3), each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders. Shares of its own stock belonging to a bank shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time, but shares of its own stock held by it in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares at any given time. A stockholder may vote either in person or by proxy executed in writing by the stockholder or by his duly authorized attorney-in-fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Except as provided below in this paragraph (3), in all elections for directors every stockholder (or subscriber to the stock prior to the issuance of a charter) shall have the right to vote, in person or by proxy, for the number of shares of stock owned by him, for as many persons as there are directors to be elected, or to cumulate the shares and give one candidate as many votes as the number of directors multiplied by the

number of his or her shares of stock shall equal, or to distribute them on the same principle among as many candidates as he or she shall think fit. The bank charter of any bank organized on or after January 1, 1984 may limit or eliminate cumulative voting rights in all or specified circumstances, or may eliminate voting rights entirely, as to any class or classes or series of stock of the bank; provided that one class of shares or series thereof shall always have voting rights in respect of all matters in the bank. A bank organized prior to January 1, 1984 may amend its charter to eliminate cumulative voting rights under all or specified circumstances, or to eliminate voting rights entirely, as to any class or classes or series of stock of the bank; provided that one class of shares or series thereof shall always have voting rights in respect of all matters in the bank, and provided further that the proposal to eliminate the voting rights receives the approval of the holders of 70% of the outstanding shares of stock entitled to vote as provided in paragraph (b) (7) of Section 17. A majority of the outstanding shares represented in person or by proxy shall constitute a quorum at a meeting of stockholders. In the absence of a quorum a meeting may be adjourned from time to time without notice to the stockholders.

(4) Whenever additional stock of a class is offered for sale, stockholders of record of the same class on the date of the offer shall have the right to subscribe to the proportion of the shares as the stock of the class held by them bears to

the total of the outstanding stock of the class, and the price thereof may be in excess of par value. This right shall be transferable but shall terminate if not exercised within 60 days of the offer, unless the Commissioner shall authorize a shorter time. If the right is not exercised, the stock shall not be re-offered for sale to others at a lower price without the stockholders of the same class again being accorded a preemptive right to subscribe at the lower price. Notwithstanding any of the provisions of this paragraph (4) or any other provision of law, stockholders shall not have any preemptive or other right to subscribe for or to purchase or acquire shares of capital stock issued or to be issued under a stock-option plan or upon conversion of preferred stock or convertible debentures or other convertible indebtedness that has been approved by stockholders in the manner required by the provisions of subsection (5) of Section 14 hereof or to treasury stock acquired pursuant to subsection (6) of Section 14.

(5) For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders, or stockholders entitled to receive payment of any dividend, or in order to make a determination of stockholders for any other proper purpose, the board of directors of a bank may provide that the stock transfer books shall be closed for a stated period not to exceed, in any case, 40 days. In lieu of closing the stock transfer books, the board of directors may fix in

advance a date as the record date for any determination of stockholders, the date in any case to be not more than 40 days, and in case of a meeting of stockholders, not less than 10 days prior to the date on which the particular action, requiring the determination of stockholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders, or stockholders entitled to receive payment of a dividend, the date on which notice of a meeting is mailed or the date on which the resolution of the board of directors declaring the dividend is adopted, as the case may be, shall be the record date for the determination of stockholders.

(6) Stock standing in the name of another corporation, domestic or foreign, may be voted by the officer, agent, or proxy as the by-laws of the corporation may prescribe, or, in the absence of such provision, as the board of directors of the corporation may determine. Stock standing in the name of a deceased person may be voted by his or her administrator or executor, either in person or by proxy. Stock standing in the name of a guardian or trustee may be voted by that fiduciary either in person or by proxy. Shares standing in the name of a receiver may be voted by the receiver, and shares held by or under control of a receiver may be voted by the receiver without the transfer thereof into his or her name if authority so to do be contained in an appropriate order of the court by

which the receiver was appointed. A stockholder whose shares of stock are pledged shall be entitled to vote those shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

(7) Shares of stock shall be transferable in accordance with the general laws of this State governing the transfer of corporate shares.

(8) The president and any other officer designated by the board of directors ~~and cashier~~ of every State bank shall cause to be kept at all times a full and correct list of the names and residences of all the shareholders in the State bank and the number of shares held by each in the office where its business is transacted. The list shall be subject to the inspection of all the shareholders of the State bank and the officers authorized to assess taxes under State authority during business hours of each day in which business may be legally transacted. A copy of the list, verified by the oath of the president or cashier, shall be transmitted to the Commissioner of Banks and Real Estate within 10 days of any demand therefor made by the Commissioner.

(9) Any number of shareholders of a bank may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares for a period of not to exceed 10 years by entering into a written voting trust agreement specifying the terms and

conditions of the voting trust and by transferring their shares to the trustee or trustees for the purposes of the agreement. The trust agreement shall not become effective until a counterpart of the agreement is deposited with the bank at its main banking premises. The counterpart of the voting trust agreement so deposited with the bank shall be subject to the same right of examination by a shareholder of the bank, in person or by agent or attorney, as is the record of shareholders of the bank and shall be subject to examination by any holder of a beneficial interest in the voting trust, either in person or by agent or attorney, at any reasonable time for any proper purpose.

(10) Voting agreements. Shareholders may provide for the voting of their shares by signing an agreement for that purpose. A voting agreement created under this paragraph is not subject to the provisions of paragraph (9).

A voting agreement created under this paragraph is specifically enforceable in accordance with the principles of equity.

(Source: P.A. 92-483, eff. 8-23-01.)

Section 99. Effective date. This Act takes effect upon becoming law.